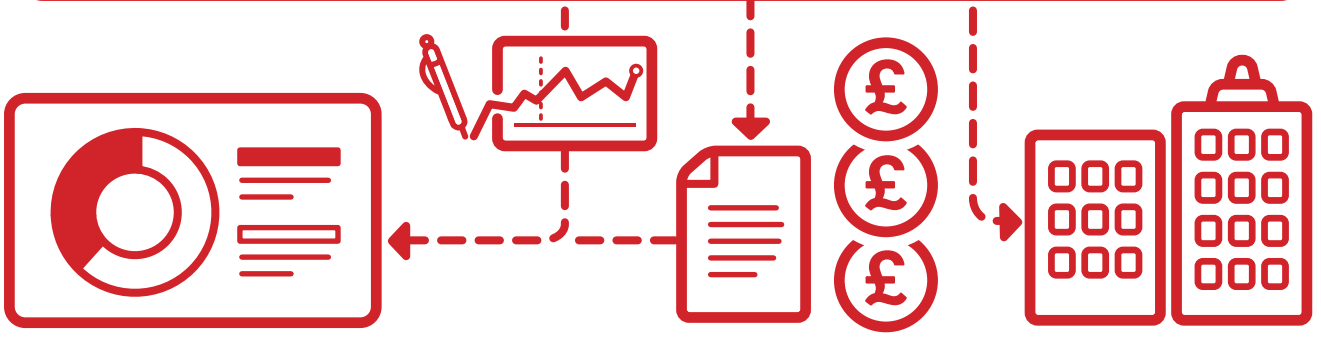




# Successful business diversification for surveyors



# About this paper

The UK is beginning to emerge from the worst recession in living memory. RICS members have variously thrived, survived or struggled over the past five years.

Whatever your own situation may be, there has rarely been a more appropriate time to consider the future. Recent government-led initiatives look set to rejuvenate the dormant UK housing market; major infrastructure projects are in the pipeline (even if the specifics are yet to be finalised); and 'green' investment is once again grabbing the headlines.

For UK surveying professionals, the idea of diversifying may be greeted with either excitement or trepidation (or both). This paper aims to be a source of comfort to the worried and an inspiration to those who are tempted by the challenge. It offers general guidance, proof that diversification can be beneficial both financially and professionally, and links to further information.

As with most guidance on starting or developing a business, this paper begins with a review of the recent past to assess 'where are we now?', then considers the importance of business diversification as a strategy for moving forward. For readers who think diversification may be for them, the third and fourth sections present ideas for growth areas and new niche markets together with tips and checklists to aid the decision-making process.

In particular, sections 3 and 4 draw attention to the relevant parts of the RICS professional information portal, *isurv*, which hosts a vast array of regularly updated technical information documents, guidance notes, standard letters and forms, news of legislation, market intelligence reports and topical feature articles and case studies.

Much of the detail presented below has been drawn from the results of a survey conducted among RICS members via *isurv* in August/September 2013.

Some 158 UK based respondents from a broad cross-section of the RICS membership participated in the survey. A third (33%) work in the commercial property sector, with 26% in quantity surveying, 18% in general building surveying, and 14.5% in the residential property sector. The remaining participants work in rural surveying (4%), environmental surveying (1%) and other disciplines in the construction industry (3.5%).

They also cover a wide range of practice types: 43% were from micro businesses or sole traders (0–5 employees), while 29% of respondents were from large firms (101 employees or more). Many of the latter were from the quantity surveying sector.

The 'vox pops' and success stories used to illustrate this paper are drawn from the survey responses and from follow-up interviews with a number of participants. Well over half of respondents stated that they have been practising for more than 15 years, and 20% have been practising for over 30 years, so their testimonies have both authenticity and authority. We would like to take this opportunity to thank all the participants.



# 1. The downturn and beyond

The recent economic downturn has had a huge impact on the construction industry with employment in the sector and new orders falling by a fifth. Although recent financial figures indicate improvements the position remains weak.

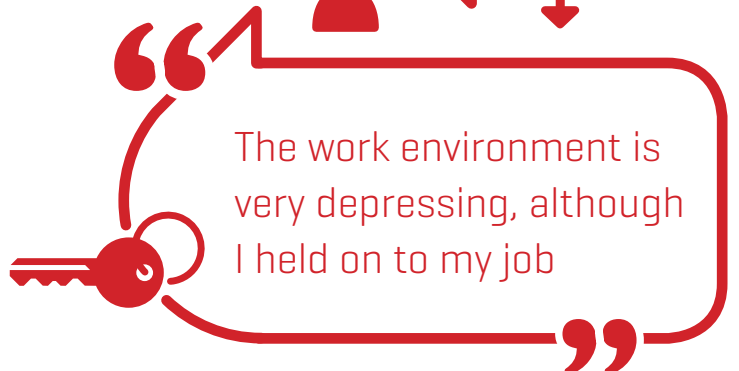
## The impact of the recession on the construction industry.

	Total Output		New Work Output		Repair and Maintenance	
	Output	Growth	Output	Growth	Output	Growth
2007 (baseline)	116,774	3.9%	75,925	3.5%	38,842	-0.5%
2011	106,765	2.4%	71,083	2.4%	35,682	2.3%
2012	98,177	-8.0%	63,006	-11.4%	35,171	-1.4%
2013 (e)	96,700	-1.5%	61,606	-2.2%	35,094	-0.2%
2014 (f)	98,831	2.2%	63,145	2.5%	35,686	1.7%
2015 (f)	103,294	4.5%	66,692	5.6%	36,602	2.6%
2016 (p)	108,463	5.0%	70,979	6.4%	37,484	2.4%
2017 (p)	113,541	4.7%	74,995	5.7%	38,545	2.8%

Source: 'The wasted recession' by Adam Branson, Building, 12 September 2013

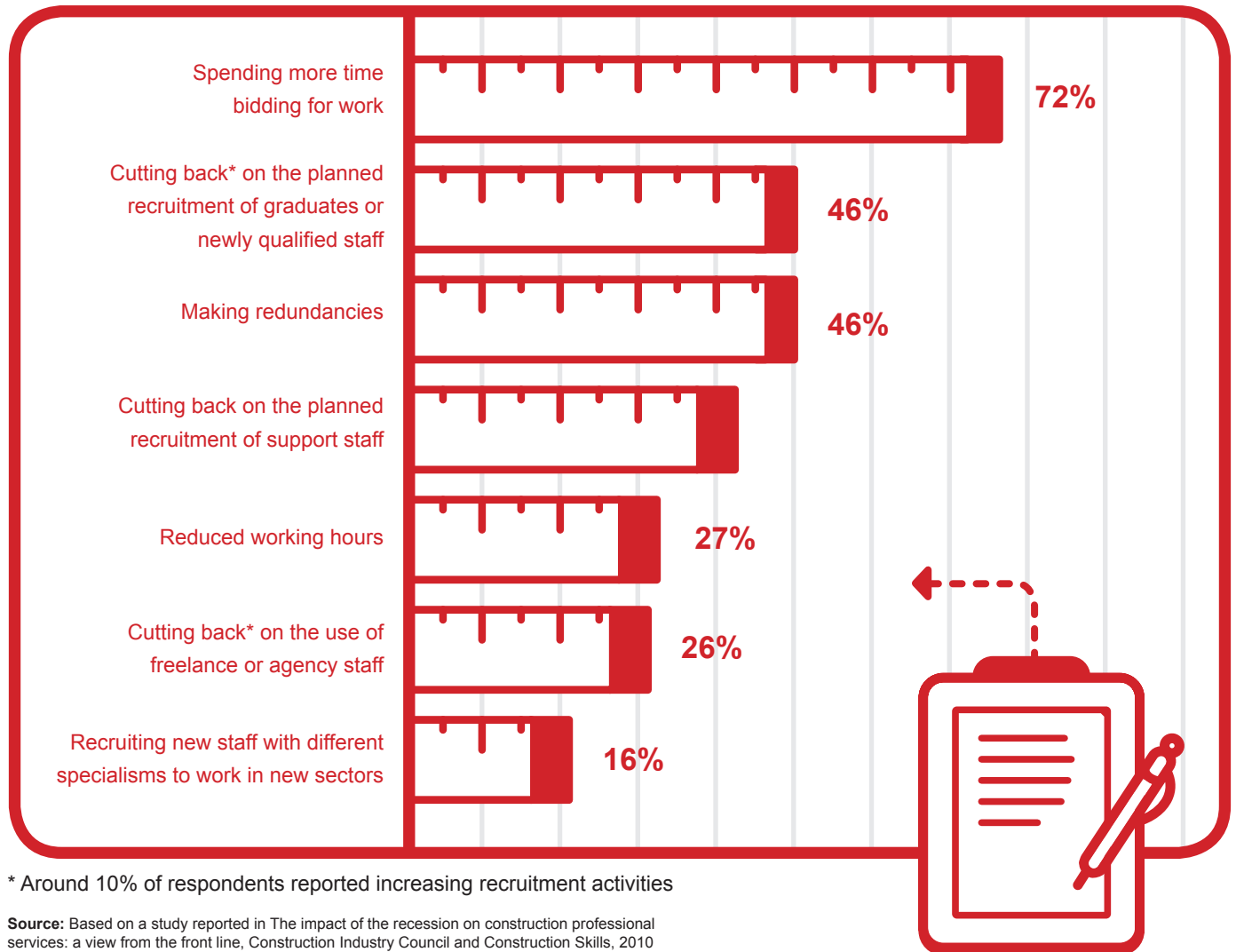
The impacts of the downturn were devastating, not just for those who lost their jobs, but for those battling on in the face of increasing competition, the widespread collapse of trust in collaborative working, and a race to the bottom in terms of pricing<sup>1</sup>. All these factors have contributed to a culture shift within the sector that will perhaps never be reversed.

Many professionals saw the firm ground of their established business sectors shift under their feet. Some viewed this as a time to opt for early retirement; some knuckled down to harder-than-ever graft for diminishing returns. Others took up the challenge and decided to diversify, and have thrived.



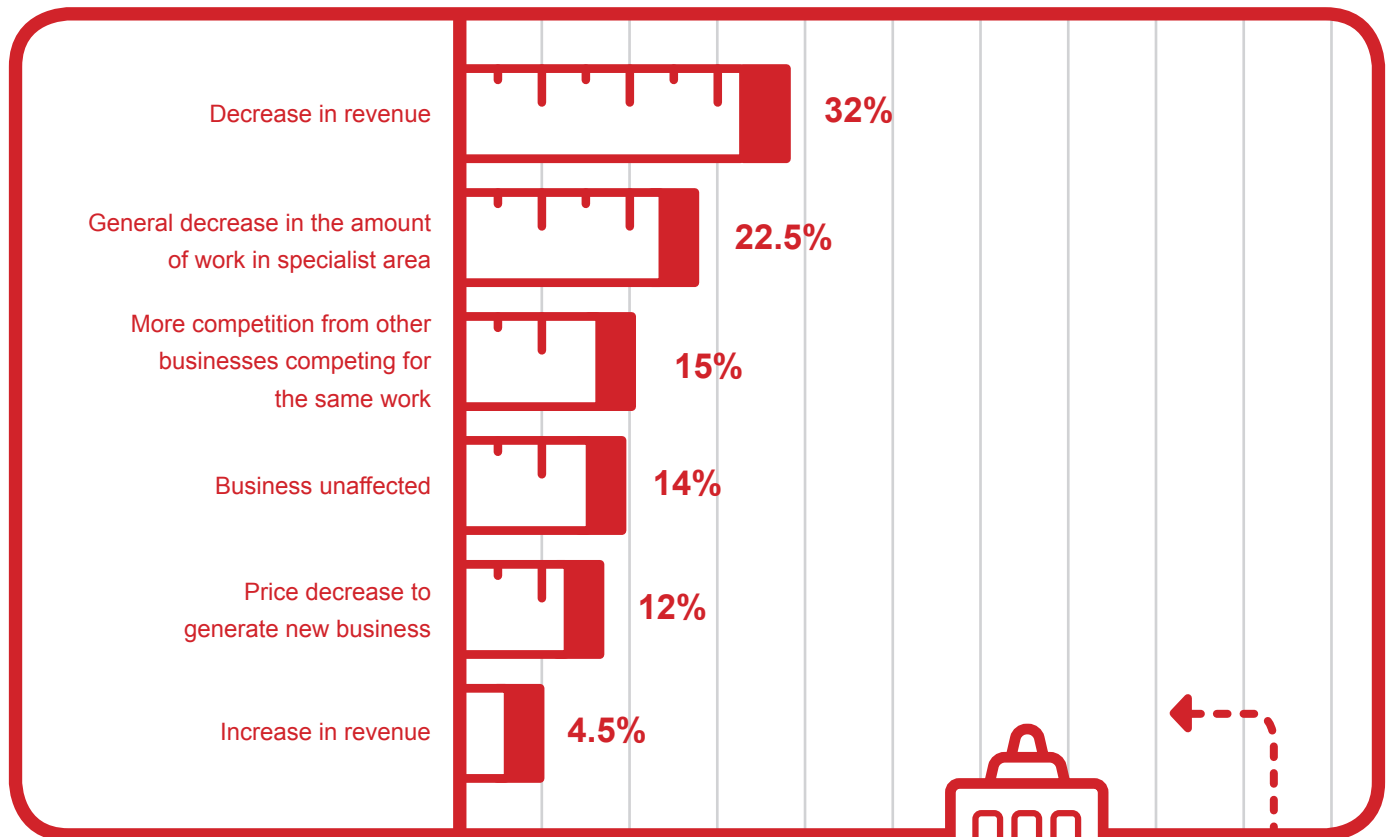
A study<sup>2</sup> by the Construction Industry Council (CIC) records the industry's first responses to the challenging economic situation, based on interviews with professional services firms in October 2009. Only 7% of these firms reported taking no particular steps to meet the challenges presented by the recession. The most common actions taken are shown below.

### Common steps taken in the face of recession.



Five years on, the impacts are still being felt by RICS members, almost a third of whom report a decrease in revenue, as shown in the graph below.

### The impact of the recession on RICS members



“Banks stopped lending development finance and were reluctant to continue with overdraft facilities. We had to let staff go to reduce costs and pay down the overdraft to become self-financing”



SUCCESS STORY

## Weathering the storm



“ I was made redundant from a large city-centre practice and set up my own company in December 2009. Since then, things have snowballed and I am surviving and in fact flourishing

I undertake work on behalf of a local authority undergoing a major strategic property review, so business has actually increased

”

## 2. The case for diversification

For more than a decade, careers guidance for individuals has stressed the benefits of having a ‘portfolio career’ rather than anticipating a ‘job for life’.

Small businesses too have been encouraged to make the most of opportunities as they arise; to identify a ‘niche’ or a suite of niches; to ‘broaden their offering’. And for large organisations, takeovers, mergers and de-mergers have become commonplace as business priorities shift. Household-name brands, once the property of long-established family businesses, have been traded from global conglomerate to global conglomerate while still delivering consumers a tried, tested and trusted end product.

Diversification is ubiquitous for the UK surveying profession, diversification is not about watering down the service or expertise that existing clients rely on; it is about continuing to provide core services whilst offering a wider range of options from a trusted supplier. It may also include expanding into geographically new markets (at home or abroad), or taking on specific staff to provide a service that clients are calling for.

But diversification is not for everyone. It may be more appropriate, financially or strategically, to invest extra time and energy into an existing sector or business model.

Although more than half of the RICS survey respondents report that they or their companies have diversified over the past three years (roughly, since January 2010), the remaining 42% have not.



SUCCESS STORY

## Keep calm and carry on



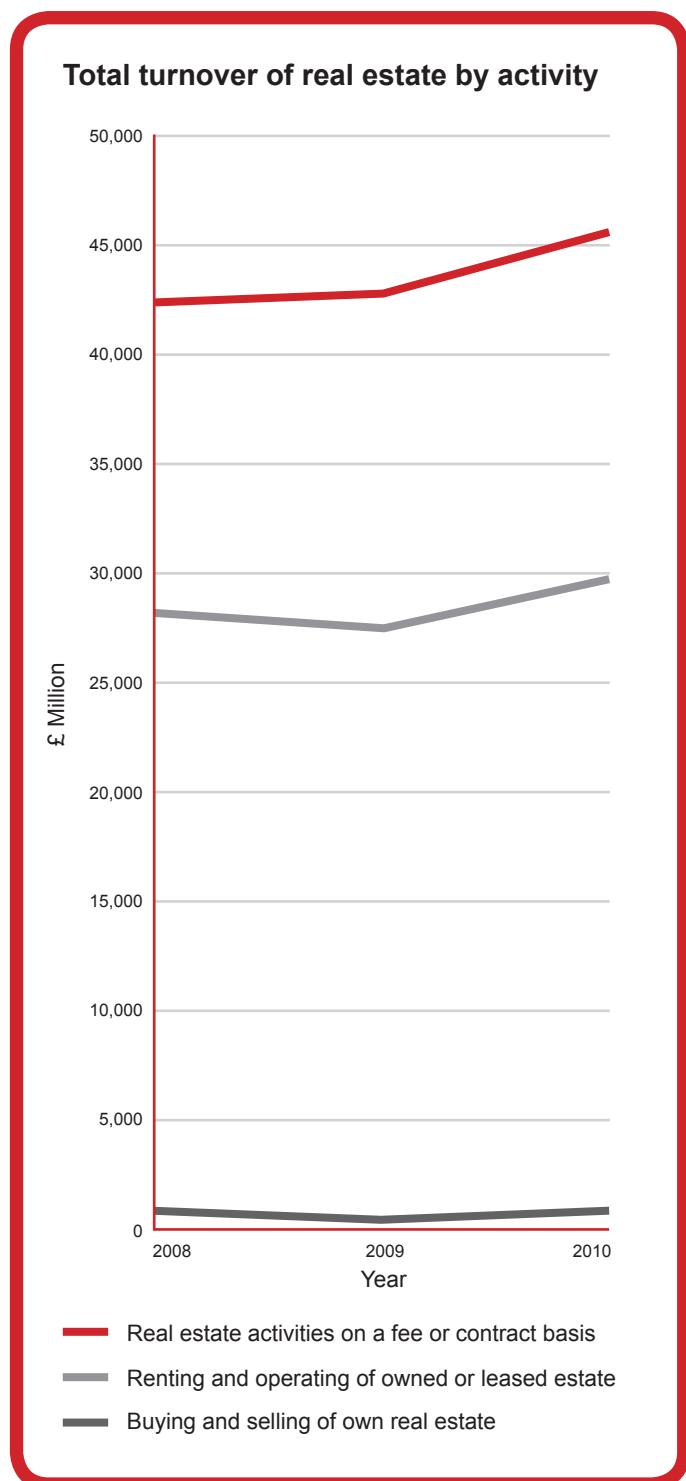
“ There was no need for diversification. I work within a grant funding regime, which has not diminished over recent years.

The amount of grant is obviously less, but the specialism means there are few in my sector and the number of clients seeking grants has not reduced

”



Most (40%) of those who have not diversified say they have not done so because of a lack of time or resources. But a quarter (25%) report that they did not feel comfortable moving into another business area, while 17% said the cost of expansion or diversification was viewed as prohibitive.



Source: *Property in the economy 2012*, RICS 2013

**There are two considerable (and linked) risks to this approach:**

- it lacks any element of 'succession planning' (i.e. what will happen to the business in the long term)
- it ignores possible external factors, ranging from further national/global economic problems to localised risks such as other 'diversifiers' moving in to your territory.

Consider the following. Back in 2010, a CIC survey<sup>3</sup> predicted that the industry would return to moderate growth in both 2011 and 2012, and forecast that construction output would not return to 2007 levels until 2018 in real terms. Based on experience from previous recessions, it is inevitable that there will be a period of readjustment.

More recent data bears this out. The report, *UK construction: An economic analysis of the sector*, published by the Department for Business, Innovation and Skills (BIS) in July 2013<sup>4</sup> acknowledges that construction is a key sector for the UK economy, contributing almost £90bn in 2012 – equivalent to 6.7% of gross value added (GVA), down from 8.9% GVA in 2007.

The sector currently comprises more than 280,000 businesses covering some 2.93 million jobs, which is equivalent to about 10% of total UK employment.

**The BIS report splits the industry into three sectors:**

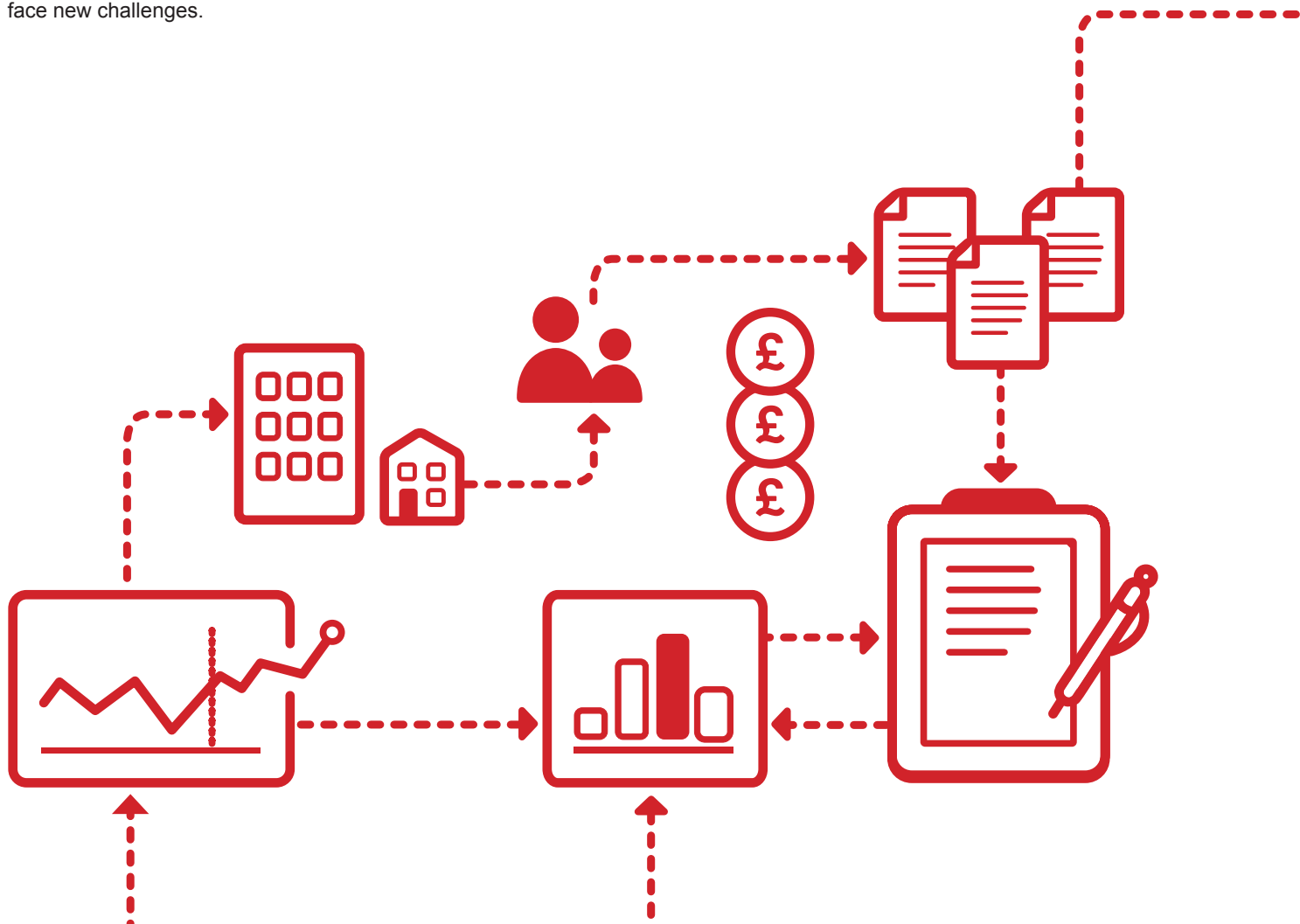
- the construction contracting industry
- the provision of construction-related professional services
- construction-related products and materials.

Official data for the professional services category (which includes architecture and quantity surveying among many other disciplines) are harder to come by, but a ballpark figure can be obtained from considering the real estate category in recent RICS figures. Real estate – which includes the buying, selling, appraising, renting and managing of residential and non-residential property – accounted for 9.2% GVA in 2010, or £119.7bn out of the UK total of £1.3 trillion (RICS, 2013)<sup>5</sup>.

Furthermore, the August 2013 RICS Residential market survey<sup>6</sup> indicates that there are increases in prices, buyer enquiries, new vendor instructions and sales across the country.

At the start of 2013, residential property price rises were predicted to be 0.6% for 2013 and 3.4% in each of the next five years. But by the August survey, respondents were optimistically predicting a 2.2% rise for the next 12 months and 4.4% in each of the next five years. The data also suggests that this is not just a London-based blip. Meanwhile, in the rental sector, tenant demand and new landlord instructions are both up slightly from the past 12 months and are expected to continue increasing.

This is good news, and it would be tempting for professional practitioners to breathe a sigh of relief and be grateful to return to 'business as usual'. That, however, could be a huge risk because the post-recession construction industry will face new challenges.





## SUCCESS STORY

# Go with the flow

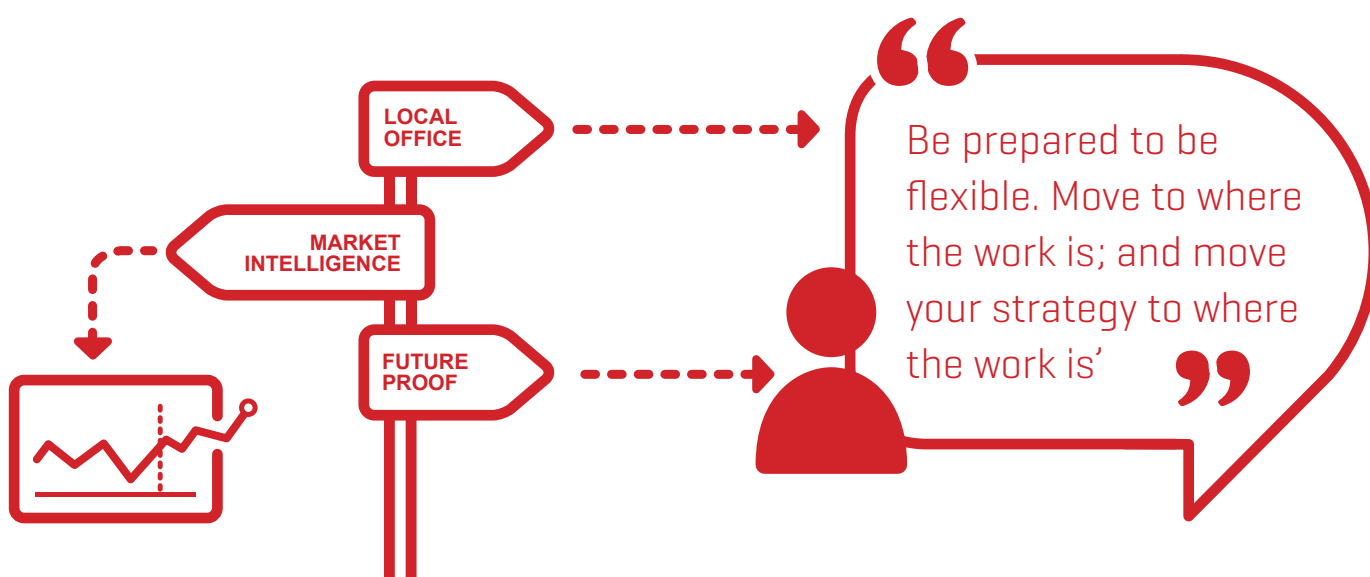
A regional quantity surveying group within a global property services company weathered the economic storm as a result of judicious planning by its board members (inspired in part by the former company owner's experience in the 1980s), and the drive and determination of the team. By expanding from its local area (M40 corridor) into north London and then the South East, the team has secured its business and increased turnover by more than 50%.

The group, which specialises in medium-sized education, commercial and leisure projects, was at risk of becoming the 'squeezed middle' – with struggling large companies desperately bidding for smaller projects and smaller firms bidding above their usual weight to try to keep afloat.

Within a two-year period the whole business of the group changed, as a result of a strategic decision taken by the board more than 18 months before the economic downturn. The decision to apply for framework contracts enabled the group to avoid the worst of the aggressive bidding environment and provided a pathway to controlled growth.

### Lessons learned:

- when expanding into a new region, it is helpful to have a local office. This gives local staff the confidence that the expansion is a long-term strategy, not just a business expedient
- gathering market intelligence – government information, reports from professional bodies and news garnered via networking – is crucial
- always look ahead, but be prudent: make provisions for the future by paying careful attention to funding reserves.

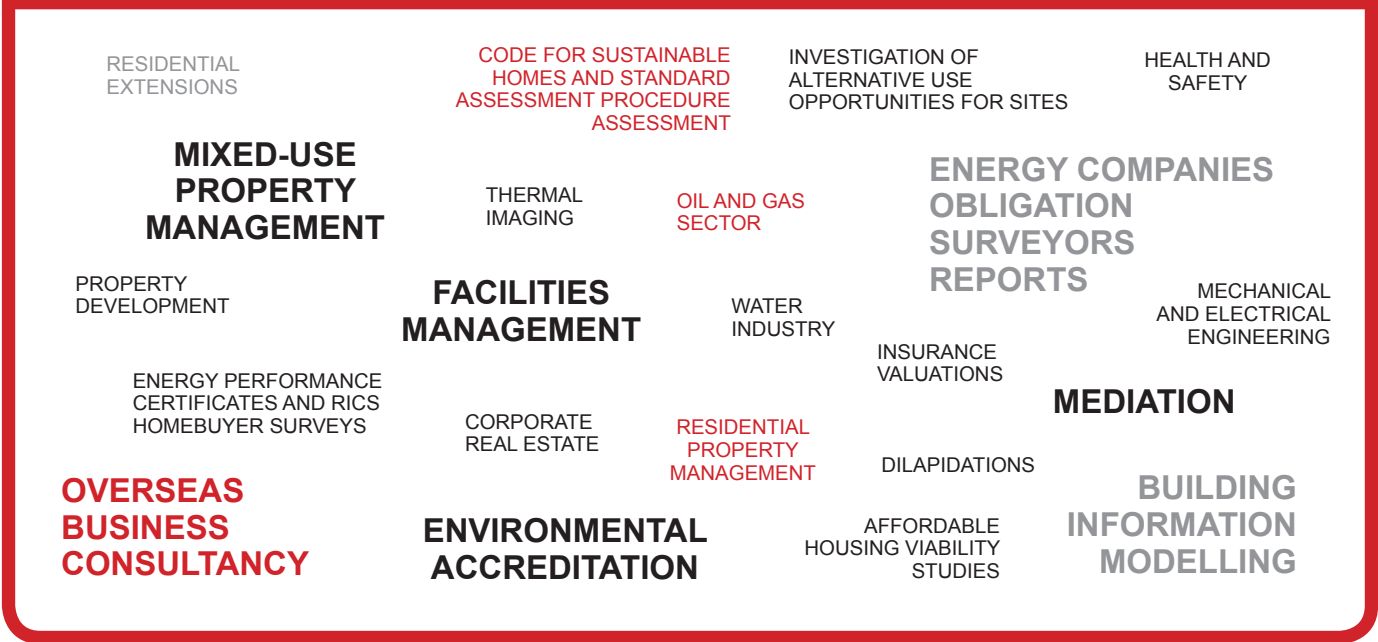


# 3. Which way now?

For those who have diversified, the rewards have been significant. In the September 2013 isurv diversification questionnaire, almost half (46%) of the respondents who have diversified reported a 6%-20% increase in total income.

Although the next most popular response – ‘up to 5% increase’ (chosen by 31% of respondents) – might suggest that diversification is not a panacea, a surprising 12% of respondents say their income has more than doubled.

Even among the small sample who participated in the RICS diversification survey, it is clear that the opportunities for diversification are many and varied. Indeed, they are as diverse as the surveying profession.



There was no single reason why the respondents had picked any particular direction. Most cited several reasons:

- more than half (56%) had spied potential revenue opportunities
- more than a third (36%) realised they could diversify into a pre-existing specialism

- just over 40% recognised that they had existing skills/resources that were not being used
- 38% had diversified as a result of demand from clients.

The following ‘success stories’ illustrate the wide variety of diversification strategies, but also reinforce the message that, with so many practitioners diversifying, competition in what they may have regarded as their ‘home turf’ could become more fierce than ever.



## SUCCESS STORY

# Find a niche

RP trained and practised as a quantity surveyor for more than 20 years but, following redundancy, decided to specialise in the valuation of non-standard buildings for insurance purposes.

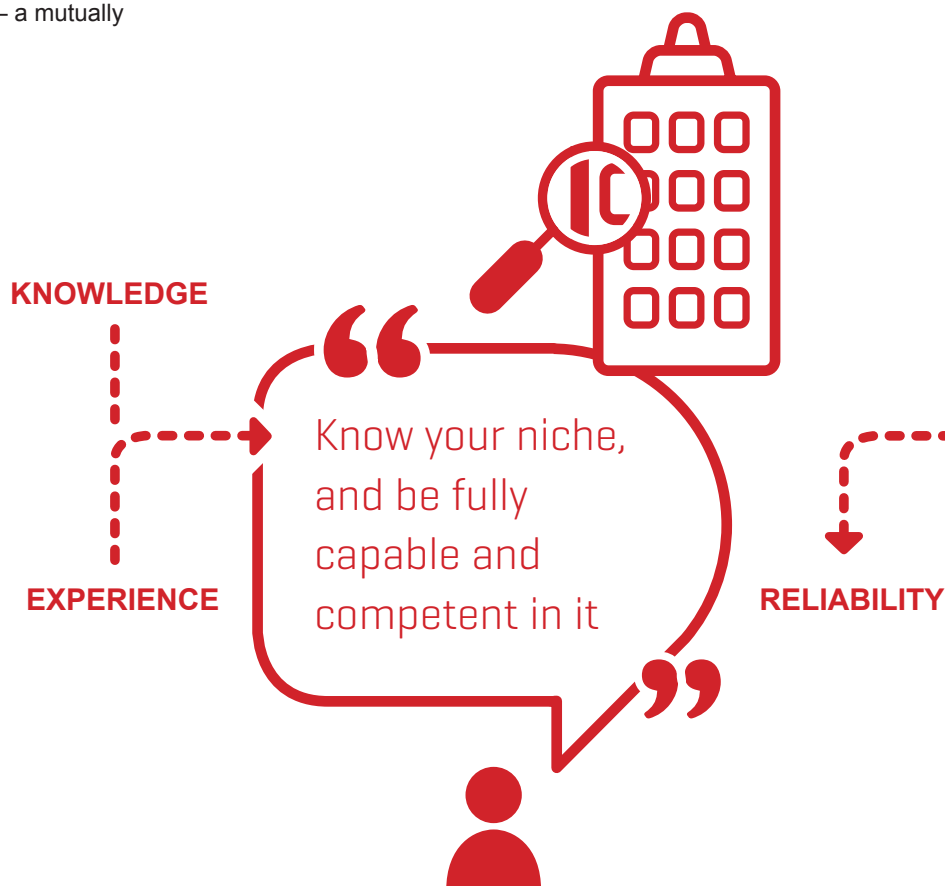
RP now provides a call-out service to larger practices whose own staff do not have the time or expertise to take on larger, complex valuations that may involve travelling long distances or overnight stays.

Working under contract to larger clients takes away some of RP's potential business-related worries, such as finance, insurance or VAT, but it does result in a precarious workload. Call-outs can go from sparse (one or two a month) to nine within two days.

With a background in surveying, subsidence, loss adjustment and project management, RP can offer his clients a range of skills, on tap, with pre-agreed fees – a mutually beneficial situation.

### Lessons learned:

- know what you are getting into: zero hour contracts are good for some people but not others
- make good use of all your past experience, not just the most recent job
- being reliable is absolutely crucial.





SUCCESS STORY

# Tap into existing skills

One two-person residential surveying business has survived the worst of the recession by making the most of personal relationships in the local area.

Word-of-mouth recommendations kept the work ticking over, while the small and agile business could keep overheads to a minimum. Now, however, they are seeing the market beginning to pick up and are contemplating expansion into two growth areas: leasehold enfranchisement (many leases are nearing term) and the environmental aspects of surveying.

With a new member of staff soon to come on board, they are poised to take advantage of the emerging activity in the housing market.

For another similar practice, which has experienced a general decrease in the amount of work available, the solution was to undergo further training to become an accredited assessor for the Code for Sustainable Homes and Standard Assessment Procedure. Turnover is now up by around 5%.





## SUCCESS STORY

# Step sideways to mitigate decline

AH works for a small commercial property practice with three decades of experience.

When revenue began to fall there was inadequate turnover to invest in more staff or retraining. Instead, it has taken a sideways step into consultancy work – particularly residential development consultancy. Revenues have not increased, but the company has stabilised.

### Lessons learned:

- the residential market is recovering much more quickly than the commercial property sector
- build up a knowledge base of sector skills, and gain general market knowledge through RICS sources such as isurv, magazines such as Property Week, and local networking
- diversification can mitigate decline.



# Market intelligence

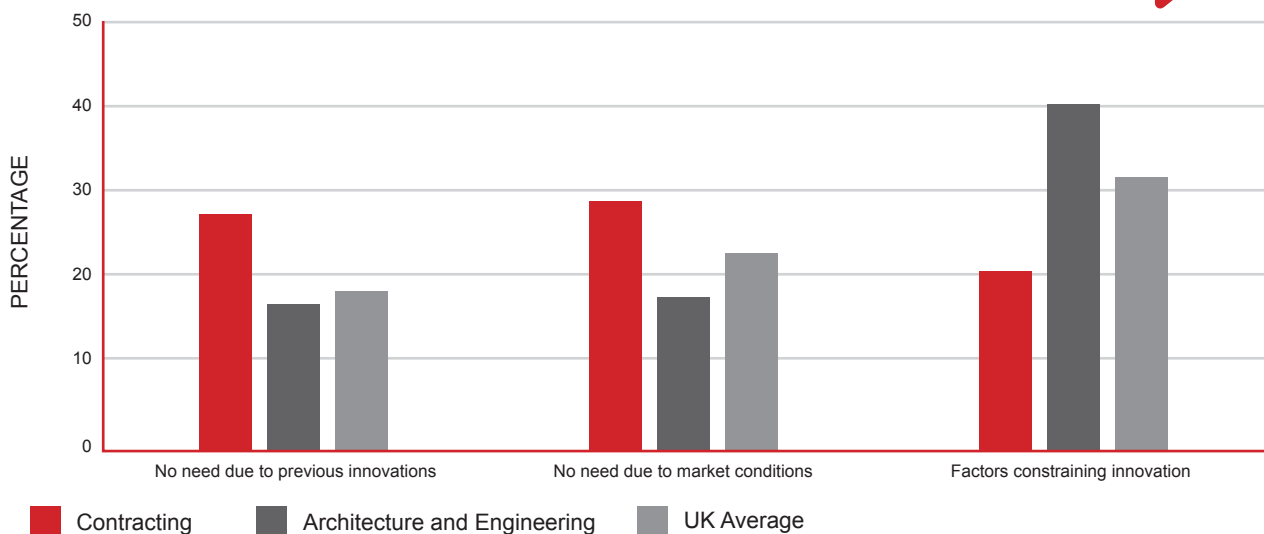
If the experiences described have whetted your appetite for diversification, the rest of this section aims to give more ideas of the many opportunities open to property professionals throughout the UK and beyond.

Graham Ellis, Associate Director of RICS Residential Professional Group, is an enthusiastic advocate of diversification. Representing 15,000 practitioners, the group covers a wide range of disciplines – from valuations, condition reports and building surveys to housing supply and leasehold property management.

The same is true for the commercial sector, although ongoing relationships are more common in this sector. However, the BIS report<sup>4</sup> hinted at the inherent conservative tendencies in the sector as a whole.

“UK Surveying is not just about doing what the client asks; it is about finding out what the client needs. As a profession, we have been a little shy about building ongoing relationships with clients. Even in the residential sector it is possible to extend our reach to offer services to owners, not just purchasers. UK Surveyors can offer impartial professional advice on all sorts of property issues, from ‘green’ improvements to party wall or right-to-light issues.”

**Reasons for not innovating across surveyed business in construction subsectors in 2010**



Source: UK construction: an economic analysis of the sector, Department for Business, Innovation and Skills, July 2013

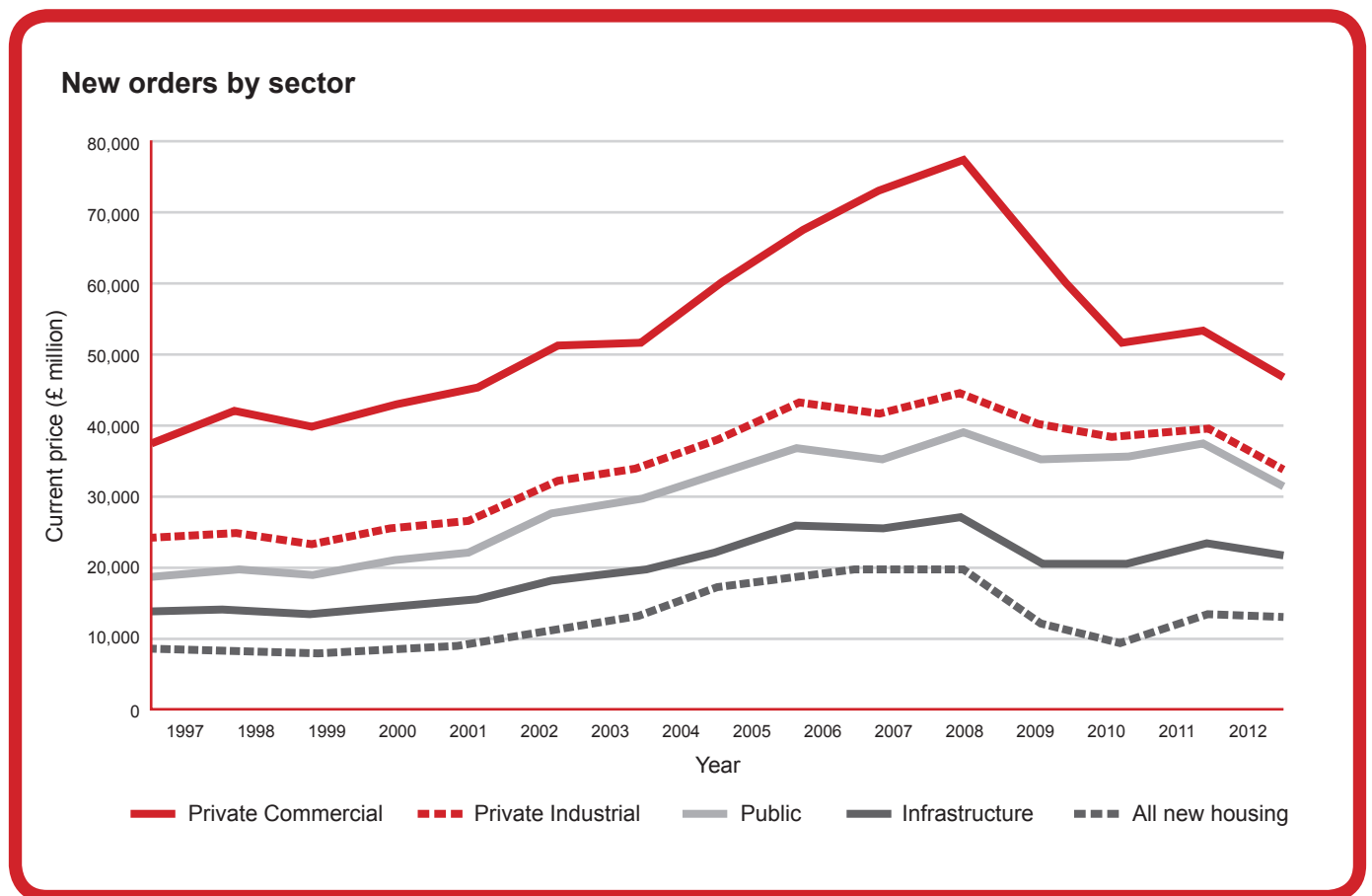


# Home or away?

The recession and subsequent government-led austerity measures have resulted in a shift in the balance within the UK construction industry.

Property in the economy 2012<sup>5</sup> presents data that clearly illustrate the shift in private and public sector work over the recent years.

The graph shows the value of new construction orders obtained by contractors in Great Britain between 1997 and 2011. The data is split between new housing (public and private) and other new work (infrastructure, public, private industrial and private commercial).



Source: Property in the economy 2012, RICS 2013

The value of private commercial, industrial and new housing has more than halved since the height of the boom, although the impact of the fiscal stimulus during the 2008-09 recession can clearly be seen with the increased level of public spending, particularly on public other new work and infrastructure.

In parallel, construction output in the private sector (commercial, industrial and housing) has declined since 2008, whereas public sector output, including infrastructure, has risen.

It is worth noting that repairs and maintenance (R&M) is a significant component of the data for construction output. In 2011, the split between new work and R&M was 64:36.

**This confirms the CIC's forecast in 2010<sup>1</sup> that:**

'Constrained public investment going forward may entail a move away from new work to R&M as a make-do-and-mend scenario, thus lessening input from professionals (the 2005-06 Construction Professional Services survey indicated that only 6% of practices' fee incomes were generated in the R&M sector).'

Considering that the RICS report highlights the age of UK commercial property stock (2003 data), there is huge scope for the growth of R&M:

- over half (51%) of the UK commercial property stock is pre-1940s
- just over one fifth (21%) dates from 1940–1970.

As for the housing sector, back in 2010, the CIC warned that the potential move to more off-site manufacturing in housing could have a negative affect on the level of input required from construction professionals. However:

'On the upside, the likely move towards greater energy efficiency and sustainability in the future is likely to place new demands on both construction industry professionals and construction managers'<sup>2</sup> (CIC, 2010).

The RICS 2013 report<sup>6</sup> also flags the phenomenon mentioned by Graham Ellis, that average lease lengths for all property sectors have reduced over the course of the last decade. The average office lease length in 2011 (ignoring any break clauses) is 6 years, down from 7.6 years in 2002. Retail leases have increased in length over the past three years, but lease length in the industrial sector has fallen considerably to 4.6 years (2011 data).

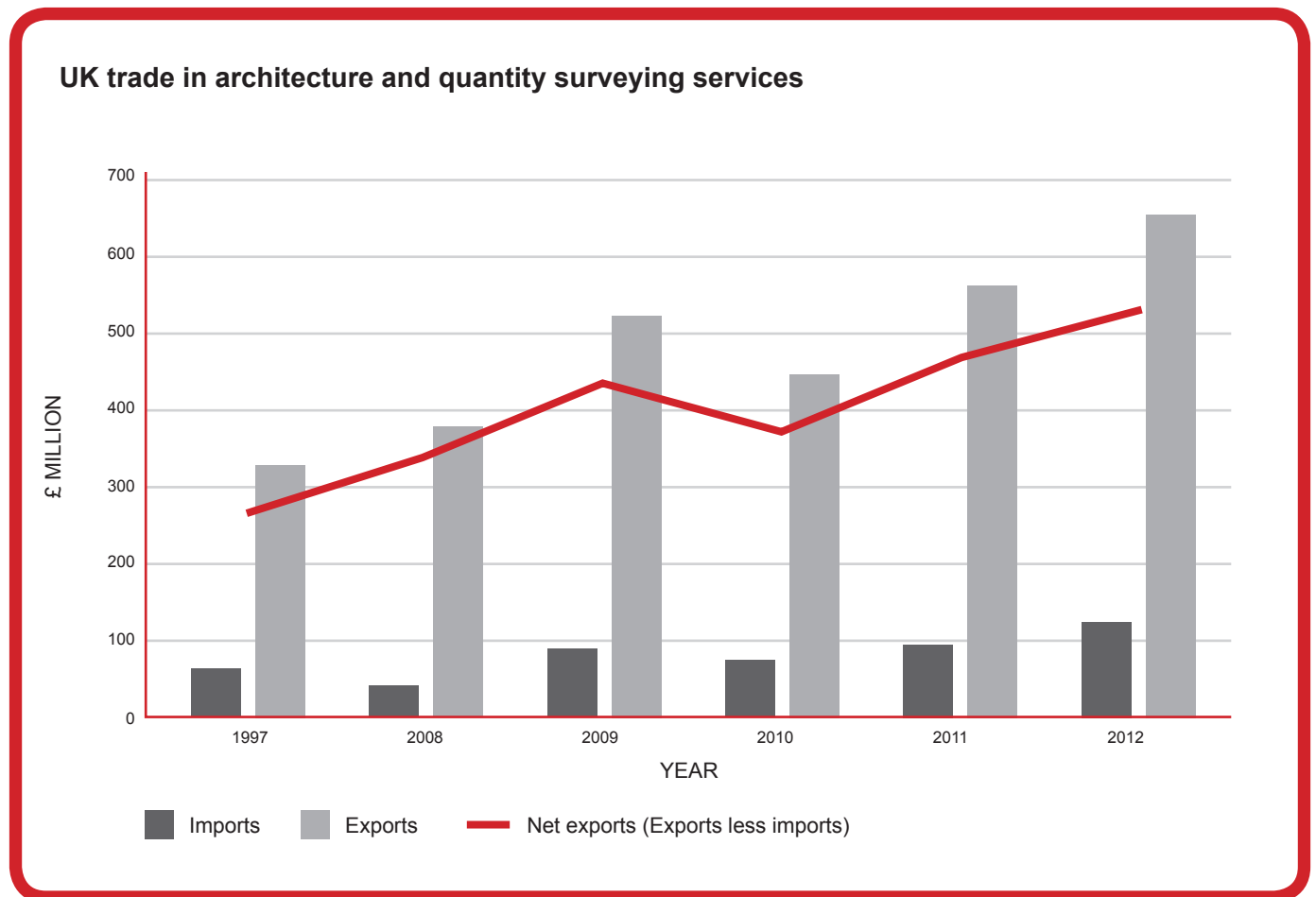
So the future at home could be bright. But could the future abroad be brighter still?

In July 2013 the government noted<sup>4</sup> that the UK construction sector is 'one of the largest construction markets in Europe' and reported that the industry has the potential to take advantage of substantial global market opportunities in the future:

'The UK has a world-class reputation for professional construction services such as architecture, and development of technology for construction purposes such as building information modelling. Moreover, the proportion of employees in construction contracting with a degree, or equivalent qualification, almost doubled over the past decade, and the sector continues to run a trade surplus in construction contracting, and in some professional services such as architecture and quantity surveying.'



Architecture and quantity surveying services showed a trade surplus of about £530m in 2011<sup>4</sup>, as shown below.



Source: UK construction: an economic analysis of the sector, Department for Business, Innovation and Skills, July 2013



# Emerging services and technologies

Through working parties and subcommittees, RICS professional groups prepare policy documents and guidance notes on topics that are of current or emerging interest to members.

For instance, the Residential Professional Group's forthcoming guidance note on residential property will draw attention to opportunities for practitioners to work more closely with owners (e.g. through property management or through increases in the uptake of RICS Home Surveys). Other emerging topics that are likely to be important for both residential and commercial properties are 'environmental issues' (such as Green Deal projects, Standard Assessment Procedure and Code for Sustainable Homes assessments, and related property services) and Building Information Modelling (BIM).

New for 2013 is the RICS-backed ECO Assessor registration scheme<sup>7</sup>, which enables property professionals to become trained and certified to authorise the insulation of hard-to-treat cavity walls under the Energy Companies Obligation (ECO), introduced by the government in January 2013. The ECO will run until March 2015 and has the objective of reducing the UK's energy consumption and reducing fuel costs for low-income households and people living in fuel poverty.

The potential benefits of BIM for the land, property and construction industries are far-reaching, and for RICS members with plans to diversify, the BIM accreditation scheme coupled with RICS BIM training courses should prove invaluable. BIM is anticipated to act as a catalyst for delivering better value through improved project management and increased collaboration, as well as helping clients gain deeper insights about their strategy, projects and assets<sup>8</sup>.

Both these emerging trends are also part of a third: greater collaborative working through new forms of partnering. Other trends identified in a recent 'foresight' issue of Modus<sup>9</sup> include:

- 3D interior scanning (which links to BIM)
- 'the internet of things' – everything connected and controllable
- demographically driven changes to shopping habits (including the likelihood of online retailers opening shops)
- 'underground cities' needing specialised tunnelling techniques
- trading in 'biodiversity credits'
- new forms of recycling.

For those looking to diversify the RICS professional knowledge portal, *isurv*, is an excellent source of inspiration and factual details for surveyors considering branching out into new work areas. Its 10 channels cover all the core specialisms – building surveying, commercial property, construction, estate agency, legal, planning, rural, sustainability, valuation – plus professional conduct. With more than 200 contributors providing topical, timely and insightful guidance and advice, it is an excellent first port of call for surveyors who wish to research potential areas for diversification.

Some RICS members who participated in the diversification survey have already broken into emerging specialisms and markets.

“We increased our skills base by taking on additional team members who can offer health and safety, and environmental accreditation. We now work with an architect's practice”



## SUCCESS STORY

# Vision of the future

Although PF's quantity surveying practice was not dramatically affected by the economic downturn, he realised that BIM was a natural fit with the current client portfolio, and clients were already asking for BIM services.

### Lessons learned:

- build up a wider client base first, before branching out into specialist services
- attending BIM tutorials and the capital investment for software is a considerable outlay. Some software providers can be persuaded to offer leases and staged payments for equipment.

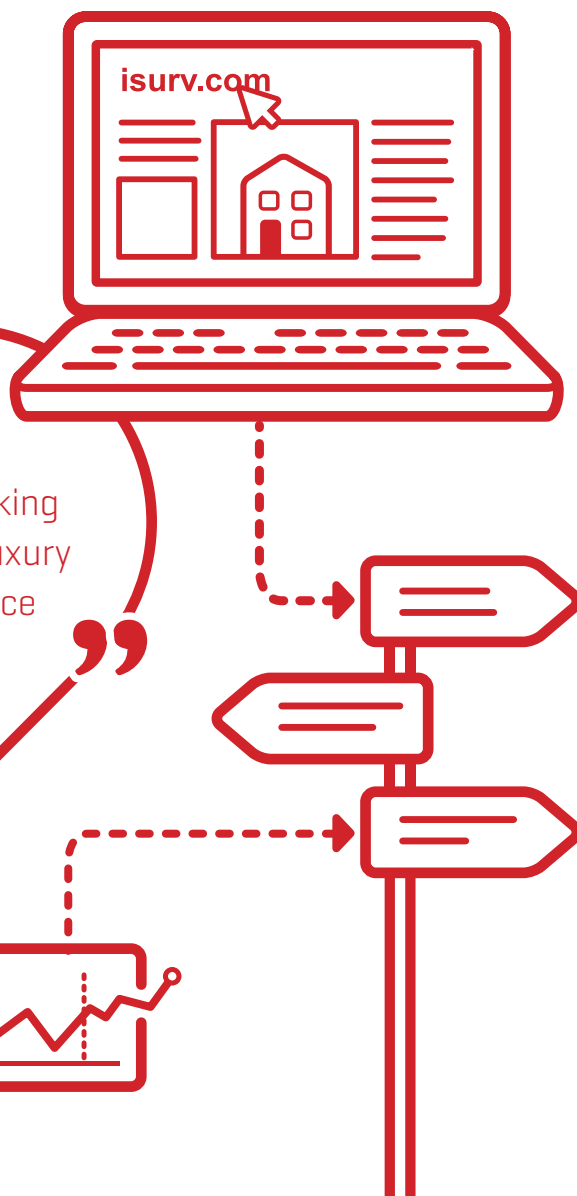


## 4. Plan to succeed with isurv

The risk for the first-time diversifier is to assume that moving into a new geographic territory or extending into a related specialism does not require conventional business strategy planning. Quite the opposite.

Business planning (and ongoing business management) is another area where isurv is beneficial, because it provides easy access to all RICS Standards and guidance notes, as well as some £20,000 worth of books and various business support tools.

“ isurv provides me with reassurance because I can trust the impartial and reliable information that it holds. Working in a small business, I don't have the luxury of having an internal reference resource that larger firms are able to create ”



# Business basics

As a business strategy, diversification is closely related to starting out afresh. This means that standard business tools such as SWOT analyses (strengths, weaknesses, opportunities and threats) and financial and risk planning are a must.

RICS publish a number of industry-specific guidance notes and books on practice management that cover business management issues. Practice management guidelines (2010)<sup>10</sup>, for instance, focuses on the processes and procedures that practitioners face when managing and leading a surveying practice, be it the private or public sector. It offers best practice guidance on setting the strategic direction and effective financial management and marketing of a practice, how to develop effective client relationships, shape a team and motivate staff to deliver high-quality client services.

The Small Business Hub, accessible through the RICS website, also provides recent documents that are directly relevant to professionals considering diversification include a suite of Practice management factsheets for small - and medium-sized enterprises (SMEs)<sup>11</sup>, published in January 2013:

- Starting up a new business
- Developing a business plan
- Business development
- Practice finance
- People management.

In addition to conventional business development, there are three inter-related factors that must be addressed by all RICS professionals who are considering diversification:

- competence
- insurance
- marketing.



# Competence is key

The RICS Rules of Conduct, updated in January 2013<sup>12</sup>, make it clear that competence is a prerequisite for all RICS members.

Part of the reasoning behind the requirements for continuing professional development (CPD) is that the Assessment of Professional Competence (APC) is a fairly general test and cannot go into specific technical skills in depth. In addition, of course, as this paper has already demonstrated, the world of professional practice is in a constant state of flux, and top-up training is essential – even if you think you ‘know all about’ core specialisms.

It can be difficult to find the funds for training, especially if diversification has become a financial expedient. Yet there are numerous additional benefits to be gained:

- it will help you ensure compliance with legislation
- it will ensure you are using the most up-to-date (and cost-effective) equipment or materials
- recently gained qualifications or accreditation can be invaluable marketing tools
- it can encourage lateral thinking to help identify new trends and opportunities
- it can provide access to local knowledge and contacts.
- it can even be a source of new partnerships and new clients.

So, training is a ‘good thing’, but only if it is focused and relevant. Identifying what to swat is so crucial to today’s surveying practitioner that an entire issue of Modus was devoted to the topic in early 2013<sup>13</sup>.

Among many other useful articles, that issue of Modus highlights how online/distance learning (e.g. through the RICS Online Academy) has helped a wide range of professionals diversify, as illustrated<sup>14</sup>.

Once you have decided which topics to concentrate on, the technical sections of isurv provide an authoritative and quality-assured source of in-depth information specially tailored for surveyors who need to top-up their expertise. The resources within isurv cover all the major and minor issues that surveyors face, including case law updates for all the main disciplines in the built environment industry.

“  
• Members shall carry out their professional work with due skill, care and diligence and with proper regard for the technical standards expected of them  
• Members shall carry out their professional work in a timely manner and with proper regard for standards of service and customer care expected of them  
• Members shall comply with RICS’ requirements in respect of continuing professional development.  
”

ROLES	
ADMIN MANAGER	▶ TRAINEE QS
CHARTERED SURVEYOR	▶ ACCREDITED MEDIATOR
ARCHITECT	▶ LAND VALUER
GENERAL SURVEYOR	▶ SUSTAINABLE URBAN DEVELOPMENT CONSULTANT

DEVELOP EXPERTISE IN	
LANGUAGES (PARTICULARLY GERMAN, MANDARIN, FRENCH, ARABIC, SPANISH)	CLIMATE CHANGE ISSUES SUCH AS EXTREME WEATHER
ENERGY, ESPECIALLY RENEWABLES	TUNNELLING (IMPORTANT FOR FUTURE OVERSEAS PROJECTS)



# Make sure you are covered

Simply put: check your professional indemnity insurance (PII) policy. Moving sideways into a new area of work, taking on overseas projects, taking on staff with new skills – all may be beyond the scope of an existing policy.

RICS guidance for SMEs<sup>15</sup> stresses, among other things, that the PII policy must:

- have the minimum level of indemnity based on the firm's turnover in the previous year (or estimate for a new firm)
- be fully retroactive
- ensure that cover is in place for past and present employees.

This is not a 'nice to have' option. Just as you need to inform your bank manager of a change of job or change of address, so you should discuss your diversification plan with your insurer **before** you put it into action.



# Tell the world you are here to help

‘Marketing’ is not a synonym for ‘advertising’. It is tempting for small practices and individual practitioners to rely on low-cost advertisements, flyers and word-of-mouth recommendations to keep the wheels of existing business turning. Diversification, whether it is offering a specific service or expanding into a nearby town, demands a more strategic marketing approach.

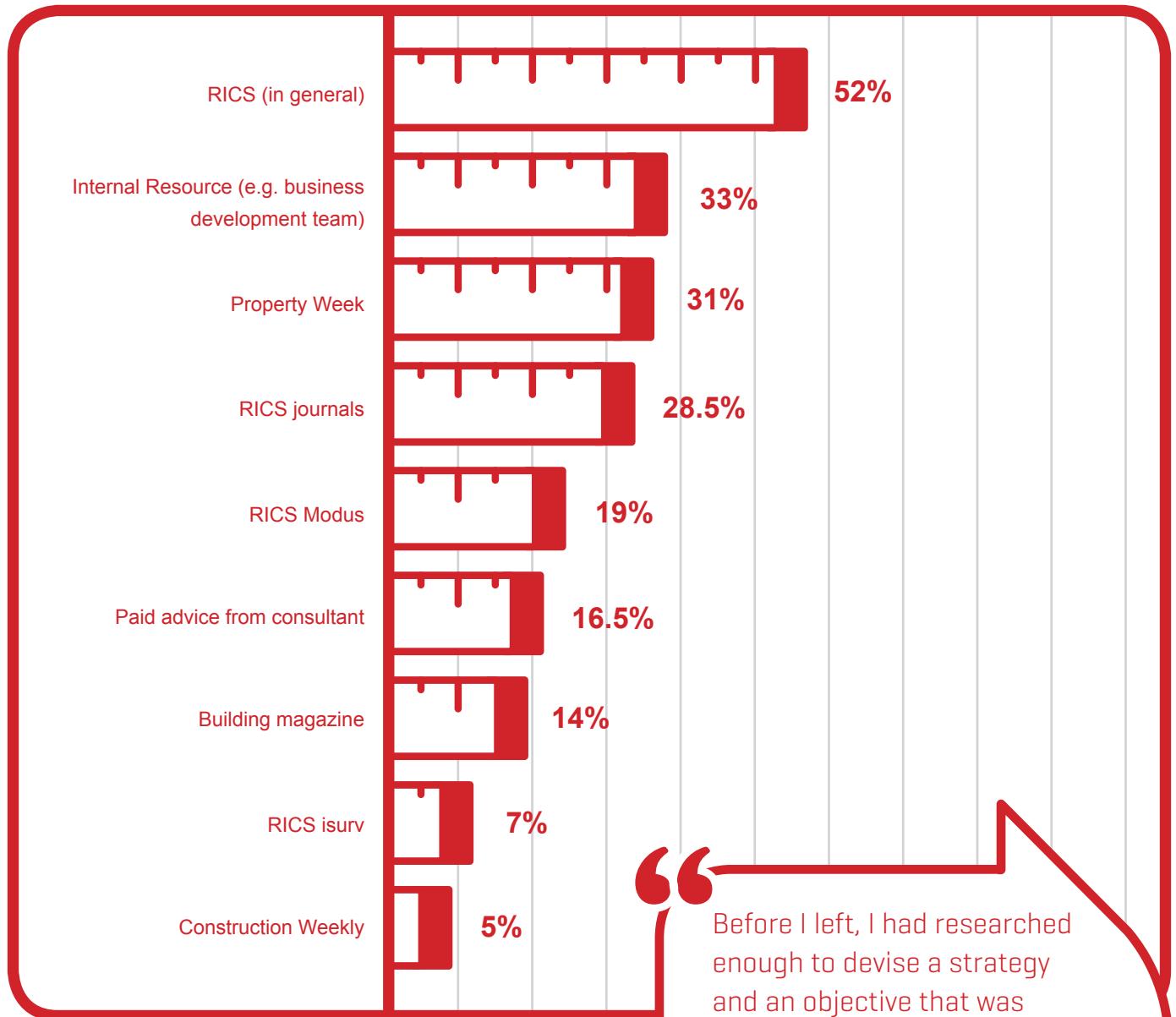
There are numerous specialised agencies that offer marketing as an outsourced service, and for a major diversification campaign, this may be a worthwhile financial investment. But for more modest changes, or for individuals changing tack, a do-it-yourself ‘campaign’ may suffice.

In its simplest form a marketing strategy may be no more than talking to a handful of existing clients and letting them know that you have other skills, a technique sometimes referred to as ‘up-selling’. If you already know (from your initial research) that the service is not suited to existing clients (or indeed if your existing clients have dried up), think laterally to decide which of all your many personal and business contacts will be most useful in helping your marketing efforts.

Do not forget that RICS has a strong resonance with businesses and members of the public. It is associated with many strong attributes including trustworthiness, independence and reliability which, as a RICS member will be reflected in the perception given to you.



Knowing which markets you hope to enter and where your clients are likely to be should have been an essential part of the development of a diversification strategy, but it is worth reiterating here the sources of market information that participants in the RICS diversification survey found most useful:



“ Before I left, I had researched enough to devise a strategy and an objective that was likely to work. My information came from libraries and the internet, as well as personal experience ”

**Other popular sources of marketing information include:**

- consulting contemporaries and former colleagues
- contacts from previous employment, or who do similar work
- other trade magazines or local business press.



## SUCCESS STORY

# Know your networks

Many years before setting up a specialist rural property management service, LJ had a brief career in the electronics industry. When, after 10 years as a chartered surveyor and land agent, he decided to specialise, a friendly chat turned the former employer into a surprise early client.

In general, LJ's diversification strategy relied on core skills honed over many years; what is new is the use of fellow professionals to 'add value' and specialist knowledge to the core business offering. This has enabled LJ to give clients a trustworthy and reliable turnkey property management service without having had to personally invest in additional training or equipment. It also means that work is varied and challenging: and the business is agile enough to adapt to the changing local economy.

### Lessons learned:

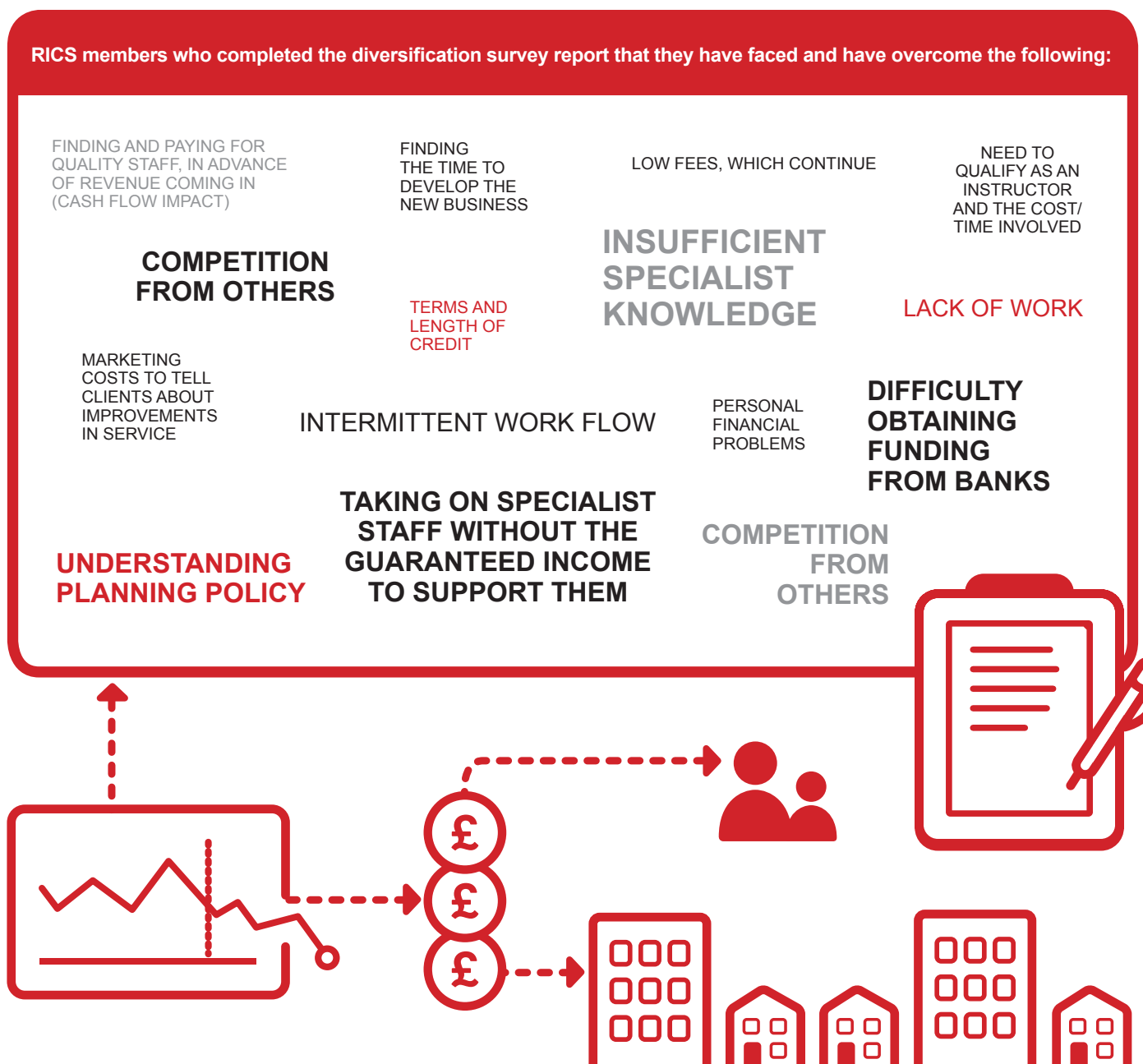
- clients really appreciate a supplier who is willing to take ownership of a problem
- it is crucial to know your own boundaries – in terms of both skill and physical capacity for work
- when working with other professionals is it essential to be 100% confident in their capabilities
- partners and clients can be found in unlikely places – through sport or leisure activities, or through social networks
- make sure everyone you know knows what you do – keeping in touch with colleagues through LinkedIn and even Twitter can pay dividends.

“There is no need to be in the local press. Adverts can attract the wrong sort of enquiries – a case of the tail wagging the dog. The important thing is to find the right work for you”



# Best laid plans

Inevitably, some ventures fail. If you have planned wisely, the losses may be little more than a slight embarrassment. But it is always wise to anticipate and plan to avoid risks in any venture, so learn from those who have gone before.



# 5. And finally...

None of the respondents to the RICS diversification survey said they wish they had not taken the plunge; quite the opposite. So if you have read this far, and are still not quite sure if diversification is for you, heed their wise words of lessons learned:

## I wish I had...

ESTABLISHED A CLEARER FINANCIAL FORMULA FOR VIABILITY

PAID GREATER ATTENTION TO DETAIL, BEEN MORE REALISTIC WITH COST ESTIMATES AND INVOICED PROMPTLY REGARDLESS OF INVOICE SIZE

**BEEN MORE FLEXIBLE**

**DONE IT SOONER**

BUILT UP WIDER CLIENT BASE BEFORE SETTING UP IN PRACTICE

KNOWN WHEN TO RECRUIT AND NOT OVERLOAD JUST BECAUSE AN AVENUE MAY OPEN

RECOGNISED OPPORTUNITIES

**WORKED CLOSER WITH PLANNING CONSULTANTS**

EMPLOYED FEWER STAFF

OBSERVED THE HOUSING MARKET WITH MORE DETAIL AND REALISE PRICES CANNOT CONTINUE TO INCREASE



# References and further reading

- 1 **Adam Branson (12 September 2013)** 'The wasted recession', *Building*, [www.building.co.uk/analysis/the-wasted-recession/5060516.article](http://www.building.co.uk/analysis/the-wasted-recession/5060516.article)
- 2 **CIC/ConstructionSkills (2010)** *The impact of the recession on construction professional services: a view from the front line*, Construction Industry Council and ConstructionSkills, [www.cic.org.uk](http://www.cic.org.uk)
- 3 **CIC/ConstructionSkills (2010)** *The impact of the recession on construction professional services: a view from an economic perspective*, Construction Industry Council and ConstructionSkills, [www.cic.org.uk](http://www.cic.org.uk)
- 4 **BIS (July 2013)** *UK Construction: An economic analysis of the sector*, Department for Business, Innovation and Skills, BIS/13/958, [www.bis.gov.uk](http://www.bis.gov.uk)
- 5 **RICS (October 2013)** *Property in the economy 2012*, RICS Research, [www.rics.org/research](http://www.rics.org/research)
- 6 **RICS (August 2013)** 'Price expectations turn more buoyant', *RICS Residential market survey*, [www.rics.org/economics](http://www.rics.org/economics)
- 7 **RICS ECO Assessor Scheme**, [www.rics.org/uk/join/member-accreditations-list/eco-assessor-certification](http://www.rics.org/uk/join/member-accreditations-list/eco-assessor-certification)
- 8 **RICS BIM Group**, <https://communities.rics.org/connect.ti/bimnacon2013/whatsNew>
- 9 **Tim Abrahams (October 2012)** 'What's the big idea?' RICS Modus, pp16–21, [www.rics.org/modus](http://www.rics.org/modus)
- 10 **RICS (2010)** *Practice management guidelines*, 3rd edition, ISBN 978 1 84219 625 0.
- 11 **RICS Practice management factsheets for SMEs**, [www.rics.org/uk/knowledge/more-services/small-business-hub/small-business-toolkit/practice-management-factsheets-for-smes/](http://www.rics.org/uk/knowledge/more-services/small-business-hub/small-business-toolkit/practice-management-factsheets-for-smes/)
- 12 **RICS Rules of Conduct**, [www.rics.org/uk/regulation/how-rics-regulates/conduct-rules](http://www.rics.org/uk/regulation/how-rics-regulates/conduct-rules)
- 13 **Brendon Hooper (March 2013)** 'New Directions' RICS Modus, pp24–26, [www.rics.org/modus](http://www.rics.org/modus)
- 14 **Simon Creasy (March 2013)** 'Ahead of the game' RICS Modus, pp36–40, [www.rics.org/modus](http://www.rics.org/modus)
- 15 **RICS 'PII for startups'** [www.rics.org/Global/PII-for-Start-ups.pdf](http://www.rics.org/Global/PII-for-Start-ups.pdf)



Building value  
from knowledge

# What is isurv

[isurvinfo.com](http://isurvinfo.com)

isurv is the online information portal from RICS. It has more than 40,000 pages of practical information on all surveying issues. It acts as an independent library resource that is used by surveyors at all experience levels to research issues and update their knowledge.

isurv is split into 10 practice areas so it is easy for users to drill down into specific topics and get impartial information from RICS and industry experts. isurv provides additional insight into topical issues that can help explain the 'how to' and turn RICS theory into practice.

Practical information, guidance and insight on all aspects of the surveying profession is available through isurv.

For more information,  
visit [isurvinfo.com](http://isurvinfo.com) or  
call +44(0)247 6868 433